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10/797,464	03/10/2004	Russell Alan Foltz-Smith	30000060-0003-002	4539

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SONNENSCHN NATH & ROSENTHAL LLP
P.O. BOX 061080
WACKER DRIVE STATION, WILLIS TOWER
CHICAGO, IL 60606-1080

EXAMINER

UBER, NATHAN C

ART UNIT	PAPER NUMBER
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3622

MAIL DATE	DELIVERY MODE
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08/31/2010

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/797,464

Applicant(s)

FOLTZ-SMITH ET AL.

Examiner

NATHAN C. UBER

Art Unit

3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 23 March 2010.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-29, 31-41, 43-56 and 58-66 is/are pending in the application.
- 4a) Of the above claim(s) 1-21 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 22-29, 31-41, 43-56 and 58-66 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Status of Claims

1. This action is in reply to the amendment filed on 23 March 2010.
2. Claims 22, 34, 49 and 58 have been amended.
3. Claims 30, 42 and 57 are canceled.
4. Claims 1-21 are withdrawn.
5. Claims 22-29, 31-41, 43-56 and 58-66 are currently pending and have been examined.

Continued Examination Under 37 CFR 1.114

6. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 23 March 2010 has been entered.

Claim Objections

7. Claim 34 is objected to because of the following informalities: claim 34 discloses "...to extract a plurality of search *result*..." examiner assumes Applicant intended the word *result* to be the plural *results* in the claim since Applicant discloses a plurality rather than a single/particular result. Appropriate correction is required.

Claim Rejections - 35 USC § 112

8. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

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9. Claim 34 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 34 recites the limitation "the processor," there is insufficient antecedent basis for this limitation in the claim.

Claim Rejections - 35 USC § 103

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

11. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

12. Claims 22-29, 31-41, 43-56 and 58-66 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cheung et al. (U.S. 2003/0028529) in view of Leishman et al. (U.S. 2004/0073538).

Claim 22:

Examiner's Note: Applicant properly claims a system in the claim below, however the system of this claim is extremely broad as it is only limited to a processor and a medium containing software that the processor is at least capable of reading. The broadest reasonable interpretation of the claim therefore is that the software is read but not executed. There is no functional relationship between the software in this claim and the processor or the medium. In this situation patentable weight is not given to the software

elements in the claim because the data is not functional but merely descriptive. Software is functional descriptive material when it is executed, not simply when it is read. Examiner maintains, as in the previous Office action, that the cited art of record discloses the limitations below whether or not the limitations carry patentable weight in the claim.

Cheung, as shown, discloses the following limitations:

- *at least one processor (see at least ¶0040, a server),*
- *a medium connected to the processor (see at least ¶0040, a communications medium, the internet),*
- *a set of software on the medium and being at least readable by the processor the set of software including: advertiser payment information; a query receiving function executable by the processor to receive a search query over a network from a user computer system the query having an associated query sales category among a plurality of query sales categories; geographic data of a location; an advertiser data store including a plurality of advertiser entries each being associated with a respective data store sales category; a search engine executable by the processor to extract a plurality of search result from the advertiser entries based on the geographic location data and by associating the query sales category with one of the data store sales categories; a ranking function executable by the processor to rank the search results based an at least the advertiser payment information into a ranked set of search results; and a transmission function executable by the processor to transmit the set of ranked search results over a network to the user computer system, each one of tile ranked search results including a link to retrieve a respective advertiser web page over a network from a respective advertiser computer system utilizing the user computer system (see at least Figure 1, items 102 search engine, 104 search results database and 105 account database, databases inherently include the functionality of ranking*

and categorizing/"mapping to a category", see also at least figure 4, networking functionality),

Cheung does not specifically disclose *geographic data of a location* however Leishman discloses location information (see at least ¶0044) and more general geographic information (see at least ¶¶0032 and 0041). It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the additional data of the Leishman invention with the Cheung invention since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 23, 35 and 50:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *wherein the ranking is dependent upon whether a link included in an ad has received a predetermined number of clicks within a predetermined period of time* (see at least ¶0139, when the account is exhausted the ad is no longer positioned with the paid advertisements/displayed, see also at least ¶¶0124 and 0048).

Claims 24, 36 and 51:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *a sponsor is an advertiser that has a financial agreement with the search provider regarding the inclusion of the sponsor's ad on the search provider's web page* (see at least ¶0047, advertiser opens an account),
- *a non-sponsor is an advertiser whose ad is displayed on the search provider's web page free of charge* (see at least ¶0048, non paid website descriptions/listings),

- *non-sponsors' ads are displayed in a region of the search provider's web page below another region of the search provider's web page where sponsors' ads are displayed* (see at least ¶0048, non paid listings appear separately or at the bottom of paid listings).

Claims 25, 37 and 52:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *the search provider is due a fee from a sponsor every time a user selects a link associated with the sponsor's ad displayed on the search provider's web page* (see at least ¶0117, "a money amount that is deducted from the account of the advertiser for each time the advertiser's webs site is accessed via a hyperlink on the search result page").

Claims 26, 38 and 53:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *the sponsor's ad has associated with it a cap amount that is the maximum amount of money that a sponsor can be billed by the search provider for the sponsor's ad within a billing cycle* (see at least ¶0124, advertise may prepay for clicks).

Claims 27, 39 and 54:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *a location where the sponsor's ad is displayed on the search provider's web page is influenced by a difference between the cap amount and a total accrued debt owed by the sponsor to the search provider for the sponsor's ad* (see at least ¶0124, if there are not enough funds, the advertisement will not appear in the search results).

Claims 28, 40 and 55:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *the sponsor's ad is located within the region of the search provider's web page with non-sponsors' ads when the total accrued debt owed by the sponsor to the search provider for the sponsor's ad equals the cap amount (see at least ¶0048, non-paid listings appear in a different section or below paid listings, and are retrieved based on relevance to the search).*

Claims 29, 41 and 56:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *the sponsor can change the cap amount (see at least ¶0124, advertiser may add funds).*
- *longer positioned with the paid advertisements/displayed see also ¶0124).*

Claims 31, 46 and 61:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Cheung does not specifically disclose the following limitation. However, Leishman, as shown, discloses the following limitation:

- *a geo-location function that determines a location of the user computer system (see at least ¶0030, the polygon search module),*
- *determining a location of the user computer system utilizing a geo-location function (see at least ¶0030, the polygon search module),*

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the additional data of the Leishman invention with the Cheung invention since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did

separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 32, 47 and 62:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Cheung does not specifically disclose the following limitation. However, Leishman, as shown, discloses the following limitation:

- *a geo-location function calculating a geographic region of consideration, and removing all sponsor ads from the list of sponsors' ads when the respective sponsor's business location is outside of the geographic region of consideration (see at least ¶0030, the polygon search module),*

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the additional data of the Leishman invention with the Cheung invention since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 33, 48 and 63:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Cheung does not specifically disclose the following limitation. However, Leishman, as shown, discloses the following limitation:

- *the geographic region of consideration is a circle having a center point and a radius, and the radius is multiplied by a market multiplier factor that varies as a function of a location of the center point (see at least ¶0030, the polygon search module),*

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the additional data of the Leishman invention with the Cheung invention since the claimed invention is merely a combination of old elements, and in the

combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 34 and 49:

Cheung, as shown, discloses the following limitations:

- *storing advertiser information on at least one computer-readable medium (see at least figure 1, item 105 account database),*
- *storing a plurality of advertiser entries in a data store on the medium each advertiser entry being associated with a respective data store sales category (see at least figure 1, item 105 account database),*
- *storing a search engine on the medium (see at least ¶0108, search engine on a search engine server),*
- *receiving a search query over a network from a user computer system at a server computer system, the query having an associated query sales category among a plurality of query sales categories (see at least figure 1, item, 102 search engine, inherently a search engine receives a search query, see also at least ¶0118),*
- *utilizing the processor to operate the search engine to extract a plurality of search result from the advertiser entries based on the geographic location data and by associating the query sales category with one of the data store sales categories (see at least ¶¶0011 and 0118, using a search engine; see also at least Leishman ¶0040 category tree),*
- *utilizing the processor to rank the search results based on at least the advertiser payment information to a ranked set of search results (see at least ¶0048, the bid amount for the ad dictates the ad placement in the search result list, see also at least ¶0117),*

- *utilizing the processor to transmit the set of ranked search results from the server computer system over a network to the user computer system, each one of the ranked search results including a link to retrieve a respective advertiser web page over a network from a respective advertiser computer system* (see at least ¶0014, advertisers pay for click through referrals generated from the search result list generated by the search engine),

Cheung does not specifically disclose *geographic data* however Leishman discloses location information (see at least ¶0044) and more general geographic information (see at least ¶¶0032 and 0041). Further Cheung does not specifically disclose the following limitation. However, Leishman, as shown, discloses the following limitation:

- *storing geographic data of a location on the medium* (see at least ¶0044),

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the additional data of the Leishman invention with the Cheung invention since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 43 and 58:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitations:

- *calculating a pacing factor* (see at least ¶0090, capping accounts by time period),
- *comparing a random number, having a value between zero and one, to the pacing factor for each sponsor's ad* (see at least ¶0099),
- *displaying the sponsor's ad on the search provider's web page only if the pacing factor is greater than the random number* (see at least ¶0106, changing account status may result in removal of an ad from search results),

Cheung discloses projecting expenses predicting the projected number of days until the exhaustion of account funds (see at least ¶139) and creating invoice caps for specific time periods (see at least ¶0090). Further Cheung discloses and account monitoring method capable to removing ads from results tables when thresholds are exceeded (see at least ¶0099). Therefore it would have been obvious to one having ordinary skill in the art at the time of the invention to implement a pacing factor because Cheung discloses a comparable method.

Claims 44 and 59:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *sorting the sponsors' ads and displaying the sponsors' ads on the search provider's web page according to the cost-per-click multiplied by the click-through rate associated with each sponsor's ad* (see at least ¶0117, sorting the result list based on the amount bid which may be a cost-per-click, see also at least ¶¶0139-0140 maximizing anticipated revenue based on cost-per-click and run rate).

Claims 45 and 60:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Cheung does not specifically disclose the following limitation. However, Leishman, as shown, discloses the following limitation:

- *calculating a sorting factor* (see at least ¶0066, sort the result list),
- *sorting the sponsors' ads and displaying the sponsors' ads on the search provider's web page according to the sorting factor* (see at least ¶0066, sort the search result list),

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine the additional sorting feature of the Leishman invention with the Cheung invention since the claimed invention is merely a combination of old elements,

and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Claims 64-66:

The combination Cheung/Leishman discloses the limitations as shown in the rejection above. Further, Cheung, as shown, discloses the following limitation:

- *includes/executing a pacing function that calculates a billing frequency based on the cap amount and a future date or time (see at least ¶0139, project expenses selection in the account management menu calculates the days in the future the until the exhaustion of funds (i.e. a billing frequency), Examiner notes that when the funds are exhausted the account is replenished/billed; the billing frequency is based on the prepaid balance/current balance (i.e. cap amount) and the estimated future daily clicks/daily run rate).*

Response to Arguments

13. Applicant's arguments filed 23 March 2010 have been fully considered but they are not persuasive.
14. Applicant argues that the current §103 rejection of the claims should be withdrawn because the objection was overcome by the evidence previously submitted in the declaration of inventor Foltz-Smith (see page 27 of Applicant's remarks). As previously noted Examiner indicated that the declaration was not persuasive. Examiner also notes that the declaration states that Applicant believes that the prior art of record teaches all of the claimed limitations (see paragraph 4 of the declaration).
15. With respect to the §103 rejection of claim 22, Applicant argues that Cheung is distinguishable from claim 22 because "there is also a mapping function" in the claimed invention (see page 23 of Applicant's remarks). Applicant suggests that the claimed mapping function is not taught by Cheung. However, the mapping function was removed from claim 22 by Applicant's amendment

rendering the argument moot. Applicant further argues that Cheung does not disclose the claimed invention because Cheung only discloses a "structured database" and alleges that the data in the structured database cannot be examined by examining the structure of the database (see page 24 of Applicant's remarks). Applicant concludes that in the claimed invention, entries in the database are extracted by categories. Examiner is not persuaded by this argument. Examiner doubts that there is a difference between the databases or between the searching features of the claimed database and the Cheung database. Applicant's claim amendments merely serve to indicate additional data content of the claimed database, which is non-functional descriptive material; the claims do not distinguish over the prior art databases or search methods. Further the claims do not disclose any functionality that may be distinguishable from the prior art of record. Further, Applicant's assertion about the nature of the Cheung database and the alleged limitations of the Cheung database are unsupported. Attorney arguments are not taken as evidence of fact without a showing of evidence from the record or in an affidavit or declaration.

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Conclusion

16. Any inquiry of a general nature or relating to the status of this application or concerning this communication or earlier communications from the Examiner should be directed to **Nathan C Uber** whose telephone number is **571.270.3923**. The Examiner can normally be reached on Monday-Friday, 8:30am-4:00pm EST. If attempts to reach the examiner by telephone are unsuccessful, the Examiner's supervisor, **Eric Stamber** can be reached at **571.272.6724**.
17. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://portal.uspto.gov/external/portal/pair> <<http://pair-direct.uspto.gov>>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at **866.217.9197** (toll-free).
18. Any response to this action should be mailed to:

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or faxed to **571-273-8300**.

19. Hand delivered responses should be brought to the **United States Patent and Trademark Office Customer Service Window**:

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/Nathan C Uber/ Examiner, Art Unit 3622
27 August 2010

/Arthur Duran/
Primary Examiner, Art Unit 3622